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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

\$141,684.62 IN BANK FUNDS,

Defendant.

No. 2:24-cv-03647-CAS-PVCx

ORDER AND JUDGMENT

On May, 2024, the government filed a Verified Complaint for Forfeiture as to the defendant, 141,684.62 in Bank Funds ("defendant bank funds"), pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C) and 984. A Default by Clerk was entered on December 4, 2024, against the interests of Selead Global Trade Inc and Zaihua Li, victims R.M. of Virginia, A.E., R.E., J.B., M.N., M.S., R.M. of Arizona, K.B., S.B., S.L., J.S., E.C., R.J., S.W., Y.C., N.J., M.T., W.T., R.K., H.R., M.M., M.P., H.W., P.G., J.D., H.M., C.K., M.L., X.Y., C.R., P.W., C.W., J.J., N.T., W.W., and R.P., and all other potential claimants.

"Granting or denying a motion for default judgment is a matter within the court's discretion." *Landstar Ranger, Inc. v. Parth Enters., Inc.*, 725 F. Supp. 2d 916, 919 (C.D. Cal. 2010). The Ninth

1 Circuit has identified seven factors courts may consider when
2 exercising this discretion: "(1) the possibility of prejudice to the
3 plaintiff, (2) the merits of plaintiff's substantive claim, (3) the
4 sufficiency of the complaint, (4) the sum of money at stake in the
5 action; (5) the possibility of a dispute concerning material facts;
6 (6) whether the default was due to excusable neglect, and (7) the
7 strong policy underlying the Federal Rules of Civil Procedure
8 favoring decisions on the merits." *Eitel v. McCool*, 782 F.2d 1470,
9 1471-72 (9th Cir. 1986).

10 The *Eitel* factors support entry of a default judgment here.
11 First, Plaintiff would be prejudiced absent a default judgment by
12 being "forced to continue the litigation even though no party has
13 filed an answer or a claim." *United States v. Approximately \$194,752*
14 *in U.S. Currency*, No. 11-cv-1400-EMC, 2011 WL 3652509, at *3 (N.D.
15 Cal. Aug. 19, 2011). As to the second and third factors, the
16 complaint sufficiently states a claim that the bank funds were
17 obtained through false and fraudulent means and are therefore subject
18 to civil forfeiture under 18 U.S.C. §§ 981, 984. Fourth, the amount
19 of money at stake, while substantial, is not so large as to warrant
20 denial of default judgment here. Fifth, there is unlikely to be a
21 serious dispute over any material fact. Sixth, there is no evidence
22 of excusable neglect. Lastly, despite the policy preferring decisions
23 on the merits, when no party appears to oppose the action, there is
24 likely no dispute on the merits, and thus default judgment is
25 appropriate. See *PepsiCo, Inc.*, 238 F. Supp. 2d at 1177. The *Eitel*
26 factors favor entry of a default judgment.

27 The Court having been duly advised of and having considered the
28 matter,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1 1. This Court has jurisdiction over the subject matter of this
2
3 action and over the parties.

4 2. The Complaint for Forfeiture states a claim for relief
5 pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C) and 984.

6 3. Notice of this action has been given in the manner required
7 by law. No Claim or Answer was filed in this action by any claimant.
8 The Court deems that all potential claimants, including Selead Global
9 Trade Inc and Zaihua Li, victims R.M. of Virginia, A.E., R.E., J.B.,
10 M.N., M.S., R.M. of Arizona, K.B., S.B., S.L., J.S., E.C., R.J.,
11 S.W., Y.C., N.J., M.T., W.T., R.K., H.R., M.M., M.P, H.W., P.G.,
12 J.D., H.M., C.K., M.L., X.Y., C.R., P.W., C.W., J.J., N.T., W.W., and
13 R.P., admit the allegations of the Complaint for Forfeiture to be
14 true.

15 4. A default judgment shall be and hereby is entered against
16 the interests of all potential claimants, including Selead Global
17 Trade Inc and Zaihua Li, victims R.M. of Virginia, A.E., R.E., J.B.,
18 M.N., M.S., R.M. of Arizona, K.B., S.B., S.L., J.S., E.C., R.J.,
19 S.W., Y.C., N.J., M.T., W.T., R.K., H.R., M.M., M.P, H.W., P.G.,
20 J.D., H.M., C.K., M.L., X.Y., C.R., P.W., C.W., J.J., N.T., W.W., and
21 R.P., in the defendant bank funds.

22 5. The defendant bank funds shall be and hereby are forfeited
23 to the United States of America, which shall dispose of the defendant
24 bank funds in the manner required by law.

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1 6. The Court finds there was reasonable cause for the seizure
2 of defendant bank funds, and this judgment shall be construed as a
3 certificate of reasonable cause under 28 U.S.C. § 2465.

4 Dated: January 30, 2025

Christina A. Snyder

HONORABLE CHRISTINA A. SNYDER
United States District Judge